

Chapter 2

Market Trends in the Content Industry

This chapter should be cited as

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CHAPTER 2

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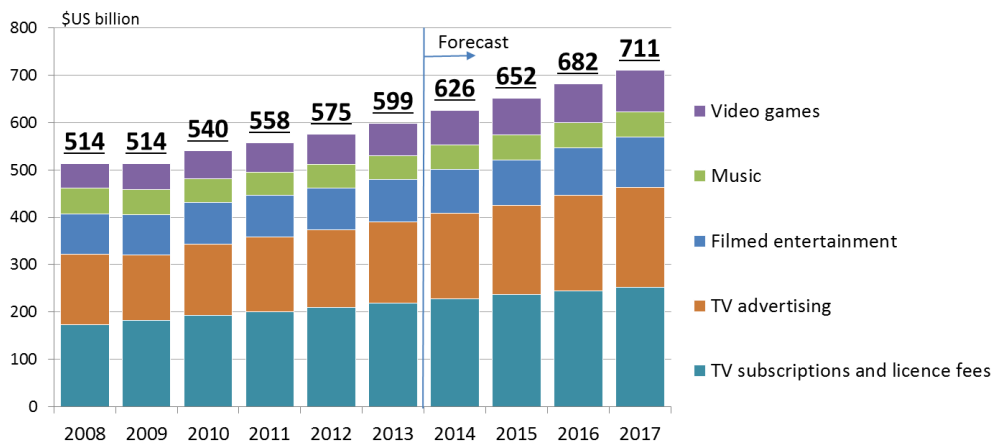
1. Global Trends

1.1. Market size and growth

Figures 2-1 and 2-2 show how global content market sectors have developed and how the content industry is expected to grow in the next few years (compound annual growth rate [CAGR] for 2013–2017), based on PricewaterhouseCoopers data.

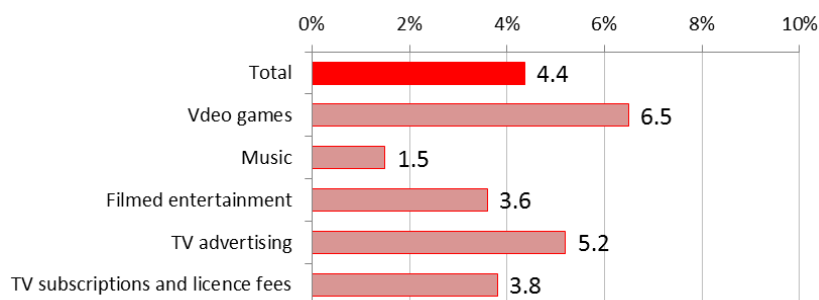
Figure 2-1 indicates a steadily expanding global content market, reaching US\$599 billion in 2013 and forecast to hit US\$711 billion in 2017. All the industry sectors are predicted to grow, with video games expanding the most rapidly at 6.5 percent CAGR. (The average CAGR is 4.4 percent.)

Figure 2-1: Market Revenue Forecast for Global Content Industry by Sector



Source: PricewaterhouseCoopers (2013), *Entertainment and Media Outlook 2013–2017*.

Figure 2-2: Compound Annual Growth Rate, 2013–2017



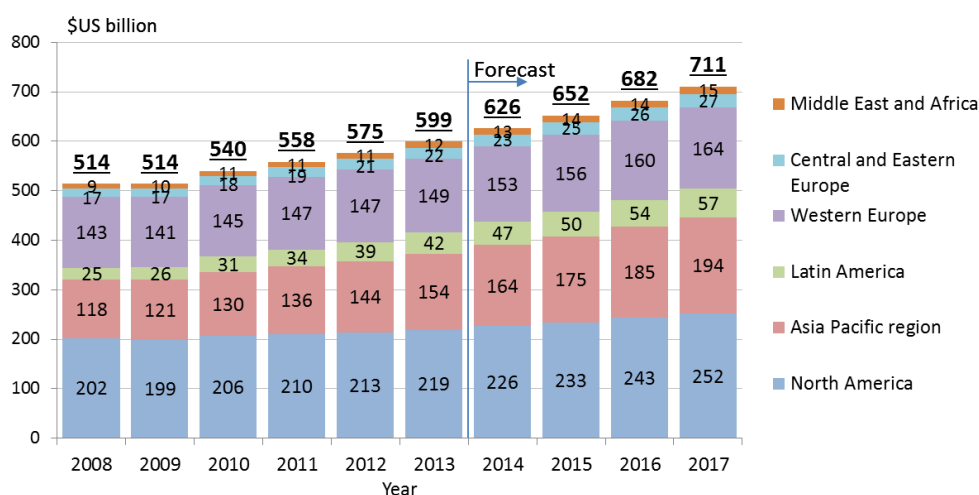
Source: PricewaterhouseCoopers (2013), *Entertainment and Media Outlook 2013–2017*.

1.2. Regional trends

Figure 2-3 shows how the market size of each region has developed and how it is expected to grow in the next few years. Figure 2-4 illustrates how each regional market has contributed to the growth of the global content market.

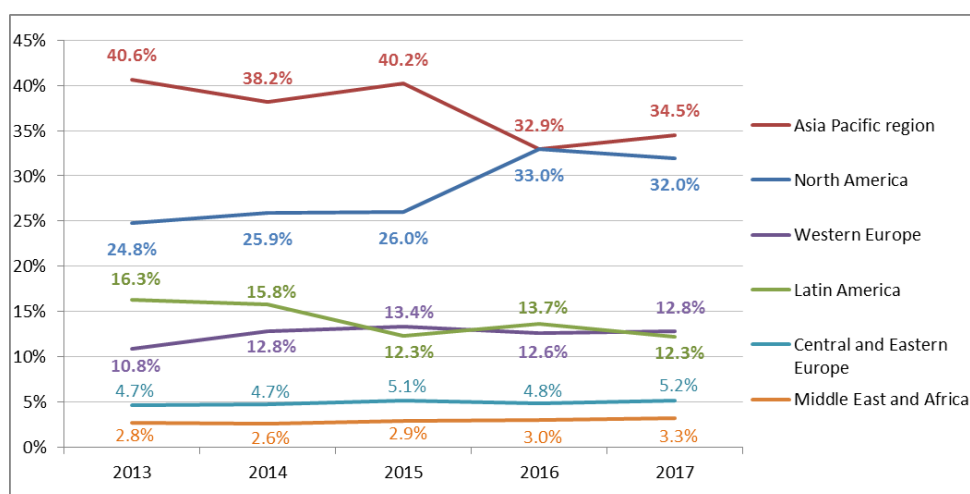
Figure 2-3 shows that the Asia-Pacific region has a market size of US\$154 billion, accounting for about 25 percent of the global market, second only to North America. The Asia-Pacific region is also the fastest-growing market and contributes most to global growth. With its market revenue forecast at more than 1.5 times larger in 2017 than in 2008, it can be safely said that the Asia-Pacific region will continue to be the driving force in the global content industry market.

Figure 2-3: Market Revenue Forecast for Global Content Industry by Region



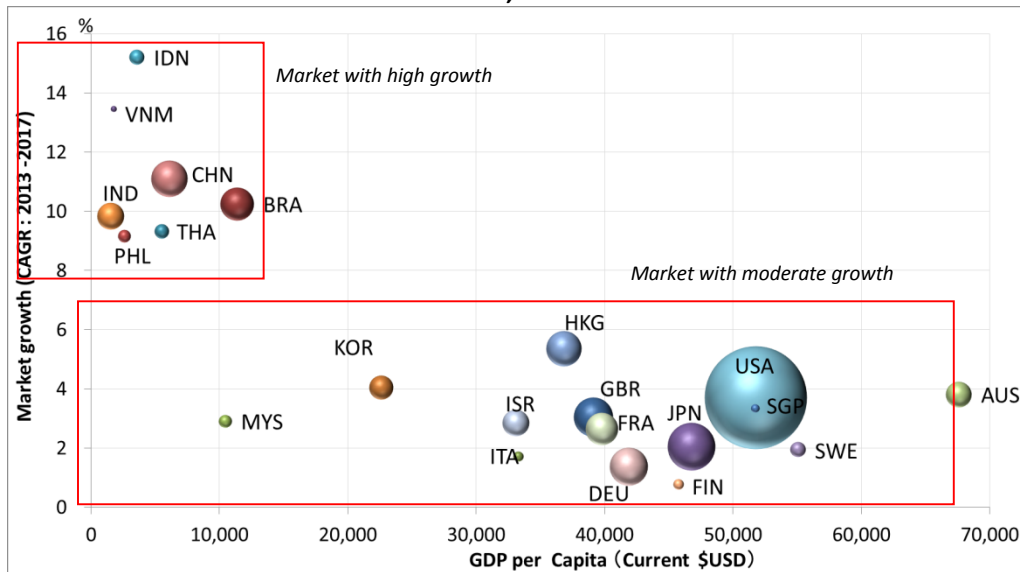
Source: PricewaterhouseCoopers (2013), *Entertainment and Media Outlook 2013–2017*.

Figure 2-4: Regional Contributions to the Global Market



Note: Contribution is derived by dividing regional increment revenue by global increment revenue.
Source: PricewaterhouseCoopers (2013), *Entertainment and Media Outlook 2013–2017*.

Figure 2-5: Cross-Country Comparison of GDP per Capita, Market Growth, and Market Size



AUS = Australia, BRA = Brazil, CAGR = compound annual growth rate, CHN = China, DEU = Germany, FIN = Finland, FRA = France, GBR = Great Britain, GDP = gross domestic product, HKG = Hong Kong, IND = India, IND = Indonesia, ISR = Israel, ITA = Italy, JPN = Japan, KOR = Korea, MYS = Malaysia, PHL = Philippines, SGP = Singapore, SWE = Sweden, THA = Thailand, USA = United States of America, VNM = Viet Nam.

Note: Bubble size represents the amount of the revenue in each market in 2013 (US\$ million).

Source: PricewaterhouseCoopers (2013), *Entertainment and Media Outlook 2013–2017*.

2. Cross-Country Comparison

Figure 2-5 shows cross-country comparison of gross domestic product (GDP) per capita, and market growth rate and size of the content industry. Bubbles representing countries spread out vertically and horizontally signify content industry markets of different sizes at various stages of development. Japan, Korea, Malaysia, and Singapore have relatively high GDP per capita, with the content industry growth rate at below six percent. Among the four countries, Japan has the largest market, second only to the United States. In contrast, China, Indonesia, the Philippines, and Thailand have market growth rates of above 8 percent, with Indonesia having the highest at over 15 percent.